

IN THE CHANCERY COURT FOR SHELBY COUNTY, TENNESSEE  
THIRTIETH JUDICIAL DISTRICT AT MEMPHIS

---

STATE OF TENNESSEE, *ex rel.* ROBERT )  
E. COOPER, JR., Attorney General and )  
Reporter, )

Plaintiff, )

v. )

No. CH- 08-2130-2

PATRICK & PATRICK, LLC, a for-profit )  
Tennessee limited liability company doing )  
business as PATRICK & PATRICK )  
LOSS MITIGATION SERVICES, LLC )  
and as an "Independent VRTMG Agent" of )  
VRTECH MARKETING GROUP, LLC; )  
and DENISE PATRICK also known as )  
SONDRETTE D. PATRICK, individually )  
and doing business as PATRICK & )  
PATRICK LOSS MITIGATION )  
SERVICES, LLC and as an "Independent )  
VRTMG Agent" of VRTECH )  
MARKETING GROUP, LLC, )  
Defendants. )

---

**AGREED FINAL JUDGMENT**

---

1. Plaintiff, the State of Tennessee, by and through Robert E. Cooper, Jr., the Attorney General and Reporter, at the request of the Director of the Division of Consumer Affairs of the Department of Commerce and Insurance, and Defendants Denise Patrick a/k/a Sondrette D. Patrick and Patrick & Patrick, LLC, a Tennessee corporation, individually and collectively doing business as Patrick and Patrick Loss Mitigation Services and as an "Independent VRTMG Agent of VR Tech Marketing Group, LLC and its general partners,

parent corporation(s), affiliates, subdivisions, or subsidiaries, future or past purchasers, merged parties, inheritors or other successors in interest, and all of its/his/her/their officers, directors, owners, partners, representatives, managers, parents, agents, employees and related entities, assigns, successors, sales staff and representatives and any and all other parties or persons or entities to the extent they are acting directly or indirectly on behalf of Defendants Denise Patrick a/ka Sondrette D. Patrick and Patrick & Patrick, LLC (“Defendants”), as evidenced by their signatures, do consent to the entry of this Agreed Final Judgment (“Judgment”) and its provisions.

2. After engaging in settlement discussions, Defendants enter into this Judgment to avoid the time and expense associated with litigation. This is a Judgment for which execution may issue.

3. Defendants hereby accept and expressly waive any defect in connection with service of process issued on the Defendants by the Plaintiff.

4. This Judgment is entered into by Defendants as their own free and voluntary act and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed upon them by this Judgment, and they consent to its entry without further notice, and aver that no offers, agreements or inducements of any nature whatsoever have been made to them by the Plaintiff, its attorneys or any employee of the Attorney General’s Office or the Division of Consumer Affairs to procure this Judgment.

5. Defendants have, by signature of counsel hereto, waived any right to add, alter, amend, appeal, petition for certiorari, or move to reargue or rehear or be heard in connection with any judicial proceeding upon this Judgment and any and all challenges in law or equity to the entry of the Judgment by the courts. If the Court elects to hold any hearing on this Judgment,

a representative of the Attorney General's Office will briefly summarize the settlement for the Court. Defendants agree to support the Judgment and its terms at any such hearing for approval.

6. In the event the Court shall not approve this Judgment, this Judgment shall be of no force and effect against the State of Tennessee.

7. This Judgment shall bind Defendants and shall be binding on any and all future purchasers, merged parties, inheritors, or other successors in interest to Defendants.

### **JURISDICTION**

8. Jurisdiction of this Court over the subject matter and over the Defendants for the purpose of entering into and enforcing this Judgment is admitted. Jurisdiction is retained by this Court for the purpose of enabling the State to apply to this Court for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Judgment, including the enforcement of compliance therewith and penalties for violation thereof. Defendants agree to pay all court costs and attorneys' fees associated with any successful petitions to enforce any provision of this Judgment against Defendants.

### **VENUE**

9. Pursuant to Tenn. Code Ann. §§ 47-18-108(a)(3) and 23-3-103(c)(2), venue as to all matters between the parties relating hereto or arising out of this Judgment is solely in Shelby County, Tennessee.

### **PARTIES**

10. Defendants warrant and represent that they are the proper parties to this Judgment. Defendants further acknowledge that they understand that the State expressly relies upon this representation and warranty, and that if it is false, unfair, deceptive, misleading or inaccurate, the State has the right to move to vacate or set aside in whole or in part this

Judgment, or request that Defendants be held in contempt and/or seek statutory sanctions, if the State so elects.

11. Defendant Patrick & Patrick, LLC represents that it is the true legal name of the entity entering into this Judgment. Defendant Patrick & Patrick, LLC understands that the State expressly relies upon this representation and if said representation is false, inaccurate, deceptive, unfair or misleading, the State has the right to move to vacate or set aside in whole or in part this Judgment or request that Defendant Patrick & Patrick, LLC be held in contempt and/or seek statutory sanctions, if the State so elects.

12. Defendant Denise Patrick represents that Denise Sondrette Patrick is the true legal name of the person entering into this Judgment. She also represents and warrants that she has also been known as Sondrette Denise Patrick. Defendant Denise Sondrette Patrick understands that the State expressly relies upon this representation and if said representation is false, inaccurate, deceptive, unfair or misleading, the State has the right to move to vacate or set aside in whole or in part this Judgment or request that Defendant Denise Sondrette Patrick be held in contempt and/or seek statutory sanctions, if the State so elects.

### **DEFINITIONS**

13. As used in this Agreed Final Judgment, the following words or terms shall have the following meanings:

- A. “Advertise,” “advertisement,” or “advertising” shall mean any written, oral, graphic, or electronic statement, illustration, or depiction that is designed to create interest in the purchasing of, impart information about the attributes of, publicize the availability of, or affect the sale or use of, goods or services, whether the statement appears in a brochure, newspaper, magazine, free-standing insert, marketing kit, leaflet, mailer, book insert, letter, catalogue, poster, chart, billboard, electronic mail, website or other digital form, slide, radio, broadcast television, cable television, or commercial or infomercial whether live or recorded.

- B. “And” and “or” shall be construed conjunctively or disjunctively as necessary, and to make the applicable phrase or sentence inclusive rather than exclusive.
- C. “Attorney General” means Office of the Tennessee Attorney General and Reporter.
- D. “Clear and conspicuous” or “clearly and conspicuously” means a statement that, regardless of the medium in which it is made, is readily understandable and presented in such size, color, contrast, duration, physical or temporal location, or volume (if applicable), compared to other information with which it is presented, that it is readily apparent to the person to whom it is disclosed. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement is necessary to prevent other information from being misleading, deceptive or unfair, then the statement must be presented in close proximity to the other information, in a manner that is readily noticeable, readable and understandable, and it must not be obscured in any manner. To be “clear and conspicuous,” warnings, disclosures, limitations or exceptions must be set out in close temporal or physical conjunction with the benefits or goods described or referenced, or with appropriate captions, of such prominence that warnings, disclosures, limitations or exceptions, are not minimized, rendered obscure, presented in an ambiguous fashion, or intermingled with the context of the statement so as to be confusing or misleading or contradictory. The statement shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the statement shall be used in any communication.
- E. “Consumer” means any person, natural person, individual, governmental agency or other entities, partnership, corporation, trust, estate, incorporated or unincorporated association, and any other legal or commercial entity however organized.
- F. “Defendants” shall refer to Denise Sondrette Patrick a/k/a Sondrette Denise Patrick (“Defendant Denise Patrick”) and Patrick & Patrick, LLC and/or any and all general partners, parent corporation(s), affiliates, subdivisions, future or past purchasers, merged parties, inheritors, or other successors in interest, and all of its/her/his/their officers, directors, owners, employees, sales staff, managers, partners, parents, subsidiaries, affiliates, future purchasers, successors, assigns, agents and representatives acting on behalf of Denise Sondrette Patrick a/k/a Sondrette Denise Patrick and Patrick & Patrick, LLC.
- G. “Division” or “Division of Consumer Affairs” shall refer to the Tennessee Division of Consumer Affairs of the Department of Commerce and Insurance.
- H. “Document” shall be synonymous in meaning and equal in scope to the usage of the term in Tenn. R. Civ. P. 34, and includes writings, drawings, graphs, charts, photographs, sound recordings, images, phono-records, and other data and data

compilations stored in any medium from which information can be obtained either directly or, if necessary, after translation by Defendants into a reasonably usable form. A draft or non-identical copy is a separate document.

- I. “Foreclosure-related rescue services” shall mean any service related to or promising assistance in connection with: (a) stopping, avoiding, or delaying foreclosure proceedings concerning residential real property; or (b) curing or otherwise addressing a default or failure to timely pay with respect to a residential mortgage loan obligation.
- J. “State,” “State of Tennessee” or “Attorney General” refers to the Plaintiff and shall mean the Office of the Tennessee Attorney General and Reporter.
- K. “Tennessee Consumer Protection Act” shall refer to the Tennessee Consumer Protection Act of 1977 and related statutes found at Tenn. Code Ann. § 47-18-101 *et seq.*, and as may be amended from time to time.
- L. “Tennessee Credit Services Businesses Act” shall refer to the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.*, and as amended from time to time.
- M. “Tennessee Foreclosure-Related Rescue Services statutes” shall refer to the Tennessee Foreclosure-Related Rescue Services statutes, Tenn. Code Ann. §§ 47-18-5401 – 47-18-5402, and as amended from time to time.
- N. “Tennessee Unauthorized Practice and Improper Conduct statutes” shall refer to the Tennessee Unauthorized Practice and Improper Conduct statutes, Tenn. Code Ann. § 23-3-101 *et seq.*, and as amended from time to time.

**APPLICATION OF ORDER TO DEFENDANTS AND THEIR AGENTS,  
SUCCESSORS AND ASSIGNS**

14. Defendants, individually and collectively, agree that the duties, responsibilities, burdens and obligations undertaken in connection with this Judgment shall apply to Defendants, individually and collectively, Defendants’ general partners, parent corporations, affiliates, subdivisions, subsidiaries, future purchasers, merged parties, inheritors or other successors in interest, and all of its/his/her/their officers, directors, owners, partners, employees, managers, parents, agents, related entities, assigns, successors, sales staff, representatives and any and all other persons or entities to the extent they are acting directly or indirectly on behalf of Defendants.

## PERMANENT INJUNCTION AND REHABILITATION

15. Accordingly, it is hereby agreed by the Defendants that immediately upon the entry of this Judgment, pursuant to Tenn. Code Ann. §§ 47-18-108(a)(4) and 23-3-103(c)(3), Defendants, their officers, directors and owners and anyone in concert with them, shall be permanently and forever enjoined, restrained and bound from directly or indirectly engaging in the practices set forth herein and further, permanently required to directly or indirectly satisfy the affirmative requirements set forth herein:

A. Defendants shall fully comply with the Foreclosure-Related Rescue Services statutes, Tenn. Code Ann. §§ 47-18-5401-5402.

B. Defendants shall not engage in any unfair or deceptive acts or practices in the conduct of trade or commerce and shall fully comply with all applicable provisions of the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 *et seq.*

C. Defendants shall not engage in offering, advertising or promoting, in any manner, or conducting the services of a credit services business in whole or in part within the State of Tennessee or with any Tennessee consumer, without first registering a bond fully consistent with the provisions of Tenn. Code Ann. § 47-18-1011.

D. Defendants shall fully comply with the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.*

E. Defendants shall not engage in “law business” or the “practice of law” as defined by Tenn. Code Ann. § 23-3-101 in whole or in part in the State of Tennessee or with a Tennessee consumer unless duly licensed and in good standing to practice law in the State of Tennessee.

F. Defendants shall fully comply with the Unauthorized Practice and Improper Conduct statutes, Tenn. Code Ann. § 23-3-101 *et seq.*

G. Defendants shall not engage in any activity that would violate the Tennessee Home Solicitation Sales Act, Tenn. Code Ann. § 47-18-701 *et seq.*

Without limiting the scope of paragraphs 16.A. through 16.G. above,

H. Defendants shall not represent that their goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship approval, status, affiliation or connection that such person does not have, in violation of Tenn. Code Ann. § 47-18-104(b)(5).

I. Defendants shall not represent that goods or services are of a particular standard, quality or grade, if they are of another, in violation of Tenn. Code Ann. § 47-18-104(b)(7).

J. Defendants shall not represent that a consumer transaction confers or involves rights, remedies, or obligations that it does not have or involve or which are prohibited by law, in violation of Tenn. Code Ann. § 47-18-104(b)(12).

K. Defendants shall not engage in any unfair, misleading or deceptive acts or practices during the course of advertising, marketing, offering, selling or contracting for foreclosure-related rescue services, in violation of Tenn. Code Ann. § 47-18-5402(a)(1).

L. Defendants shall not engage in or initiate foreclosure-related rescue services without first executing a written agreement with the consumer for foreclosure-related rescue services, in full compliance with Tenn. Code Ann. § 47-18-5402(a)(2).

M. Defendants shall not advertise, solicit, charge, receive or attempt to collect or secure payment, directly or indirectly, for foreclosure-related rescue services before completing or performing all services contained in the agreement for foreclosure-related rescue services, in violation of Tenn. Code Ann. § 47-18-5402(a)(3).

N. Defendants shall not induce or attempt to induce any consumer to enter into any



contract or agreement which does not fully comply in all respects with Tenn. Code Ann. §§ 47-18-5401 – 47-18-5402, state law and this Judgment.

O. Defendants shall not fail to accept and honor a consumer's request to cancel and timely provide any related refunds within ten (10) business days, in violation of Tenn. Code Ann. § 47-18-5402(a)(5).

P. Any written agreement for foreclosure-related rescue services used by Defendants shall be printed in at least 12-point uppercase type and signed by both parties, as required by Tenn. Code Ann. § 47-18-5402(a)(1).

Q. Defendants' foreclosure-related rescue services agreement shall include, at a minimum, the name, physical address, telephone number and electronic mail address of the person providing foreclosure-related rescue services, the exact nature and specific detail of each service to be provided, the total amount and terms of charges to be paid by the consumer for the services, and the date of the agreement. Defendants shall maintain copies of these foreclosure-related rescue services agreements for a period of five (5) years.

R. Defendants shall not date any agreement earlier than the date the consumer actually signed the Defendants' agreement.

S. Defendants shall affirmatively provide all consumers a copy of his/her/their written foreclosure-related rescue services agreement to review providing no less than one (1) business day for the consumer to review the agreement before the consumer is asked to sign the agreement, as required by Tenn. Code Ann. § 47-18-5402(b).

T. Defendants shall provide all consumers a right to cancel the written agreement for foreclosure-related rescue services without any penalty or obligation if the consumer cancels the agreement within three (3) business days after signing the agreement, as required by Tenn. Code

Ann. § 47-18-5402(c).

U. Defendants shall not in any manner limit any consumer's three (3) day right to cancel, in violation of Tenn. Code Ann. § 47-18-5402(c).

V. Defendants shall not induce or require consumers to sign alleged waivers of their right to cancel the written agreement, in violation of Tenn. Code Ann. § 47-18-5402(c).

W. If the consumer cancels the written agreement for Defendants' services, Defendants shall be required to return any payments that have been given to Defendants within ten (10) business days after receipt of the notice of cancellation, as required by Tenn. Code Ann. § 47-18-5402(c).

X. As required by Tenn. Code Ann. § 47-18-5402(d), Defendants shall use a written agreement for foreclosure-related rescue services which contains, immediately above the signature line, a statement in at least 12-point uppercase type that substantially complies with the following:

#### HOMEOWNER'S RIGHT OF CANCELLATION

YOU MAY CANCEL THIS AGREEMENT FOR FORECLOSURE-RELATED RESCUE SERVICES WITHOUT ANY PENALTY OR OBLIGATION WITHIN 3 BUSINESS DAYS FOLLOWING THE DATE THIS AGREEMENT IS SIGNED BY YOU. THE FORECLOSURE-RESCUE CONSULTANT IS PROHIBITED BY LAW FROM ACCEPTING ANY MONEY, PROPERTY OR OTHER FORM OF PAYMENT FROM YOU UNTIL ALL PROMISED SERVICES ARE COMPLETE. IF FOR ANY REASON YOU HAVE PAID THE CONSULTANT BEFORE CANCELLATION, YOUR PAYMENT MUST BE RETURNED TO YOU NO LATER THAN 10 BUSINESS DAYS AFTER THE CONSULTANT RECEIVES YOUR CANCELLATION NOTICE. TO CANCEL THIS AGREEMENT, A SIGNED AND DATED COPY OF A STATEMENT THAT YOU ARE CANCELLING THE AGREEMENT SHOULD BE MAILED (POSTMARKED) OR DELIVERED TO \_\_\_\_\_ (NAME) AT \_\_\_\_\_ (PHYSICAL ADDRESS) OR \_\_\_\_\_ (E-MAIL

ADDRESS) NO LATER THAN MIDNIGHT OF \_\_\_\_\_  
(DATE). IMPORTANT: IT IS RECOMMENDED THAT YOU  
CONTACT YOUR LENDER OR MORTGAGE SERVICER BEFORE  
SIGNING THIS AGREEMENT. YOUR LENDER OR MORTGAGE  
SERVICER MAY BE WILLING TO NEGOTIATE A PAYMENT PLAN  
OR A RESTRUCTURING WITH YOU FREE OF CHARGE.

Y. Defendants shall provide all consumers a copy of the signed agreement within  
three (3) hours of the consumers signing the agreement as required by Tenn. Code Ann. § 47-18-  
5402(f).

Z. Defendants shall implement and fully comply with a refund policy such that  
Defendants must provide a full refund to consumers within ten (10) days of a request if  
Defendants fail to provide any of the services that Defendants represented they would provide.

AA. Defendants shall clearly and conspicuously disclose up-front, including but not  
limited to, in advertisements in any medium, on Defendants' website(s), when talking to  
consumers on the telephone, and when soliciting consumers in-home, whether they require a fee  
or other monetary payment to be paid upon completion of all of the promised goods or services,  
the amount of the fee, the date payment is required, and exactly what services the fee covers.

BB. Defendants shall not represent that they are "certified," or any other term or  
phrase of similar import, to provide foreclosure-related rescue services unless or until  
Defendants are in fact certified by the proper authorities.

CC. Defendants shall not give any legal advice or counseling regarding any secular  
law topic including but not limited to bankruptcy and foreclosure proceedings unless the person  
providing the advice or counseling is duly licensed to practice law and in good standing in the  
State of Tennessee.

DD. Defendants shall not limit the damages or recovery to which consumers may be entitled under Tennessee law or the means by which consumers may obtain damages or recoveries.

EE. Defendants shall not state or imply or cause to be stated or implied that the State of Tennessee, the Attorney General, the Department of Commerce and Insurance, the Division of Consumer Affairs, the Tennessee Housing Development Agency, or any other governmental unit of the State of Tennessee has approved, sanctioned or authorized any act, practice, advertisement or conduct of Defendants.

### **RESTITUTION/REFUNDS**

16. Defendants shall be jointly and severally liable for at least Twenty-Seven Thousand Seven Hundred Fifty-Eight Dollars and Nineteen Cents (\$27,758.19) under this Judgment for restitution and applicable statutory interest for consumers' ascertainable losses. Defendant Denise Patrick previously filed a no asset Chapter 7 bankruptcy. Defendant Patrick & Patrick, LLC is inactive and was administratively dissolved in August 2009. Defendants have represented and warranted to the State of Tennessee and this Court that they are unable to make full restitution to consumers.

17. Defendant Denise Patrick has agreed that the State of Tennessee's consumer restitution claim of at least \$27,758.19 and applicable statutory interest is a non-dischargeable debt pursuant to 11 U.S.C. § 523(a)(2) and/or (a)(4). A Consent Order Resolving Adversary Proceeding reflecting Defendant's agreement to make the State's restitution claim and related statutory interest non-dischargeable shall be filed in *State v. Denise Sondrette Patrick*, U.S. Bankruptcy Court (W.D. Tenn.) Adv. Pro. No. 11-00018.

18. Should the State collect some or all of this restitution amount from Defendants,

the Attorney General shall direct the Division of Consumer Affairs to distribute the funds or may propose a plan to be approved by this Court for use of any funds received for consumer restitution. After the lapse of a reasonable period of time and if following the deposit of a portion of the funds due that are, at the Attorney General or his designee's discretion, not enough to offset the costs of administration or would result in a nominal distribution to consumers that would not be economically efficient, the Attorney General may propose that the funds be used for consumer protection purposes or any other purpose allowed by law by the Attorney General at his sole discretion. Defendants waive and will not assert any objections or make any filings regarding any plan proposed by the State of Tennessee.

19. No consumer who paid money to Defendants shall be prohibited from bringing suit against Defendants for full amounts owed for unpaid goods or services. Should a consumer bring suit against one or all Defendants and prevail that consumer shall be eligible to recover under any plan for restitution submitted by the Attorney General and Reporter and approved by this Court. Any such restitution received (if any) from the Attorney General's restitution program would merely operate as an offset.

#### **ATTORNEYS' FEES AND COSTS TO THE STATE**

20. Pursuant to Tenn. Code Ann. §§ 47-18-108(b)(3), 47-18-108(a)(5) and 23-3-103(c)(1), the Court finds that Thirty Thousand Dollars (\$30,000.00) is a reasonable and appropriate attorneys' fee and costs amount and awards this sum to the State and against Defendants. The State, in the interest of making affected consumers as whole as possible and considering Defendant Denise Patrick's bankruptcy filings, the dissolution of Defendant Patrick & Patrick, LLC, and Defendants' assertion that they possess limited post-petition assets, agrees to only seek this amount through a bankruptcy claim if any assets are found and not to initiate

any other action, encumber, place any liens, notify any credit bureau, or otherwise make a collection attempt for this attorney fee award. The State may propose a plan relating to any monies received under the Restitution/Refunds Section to provide for reimbursement of part of these sums subject to the Court's approval.

### **CIVIL PENALTIES**

21. Pursuant to Tenn. Code Ann. § 47-18-108(b)(3) and 23-3-103(c)(1), this Court finds that One Hundred Thousand Dollars (\$100,000.00) is a reasonable and appropriate remedial civil penalty and awards this sum to the State and against Defendants. At this time, this One Hundred Thousand Dollars (\$100,000.00) remedial civil penalty, as well as any additional civil penalties, remedies or sanctions allowed by state law, including but not limited to pursuant to Tenn. Code Ann. § 47-18-108(c)(3), shall be held in abeyance unless or until Defendants violate this Judgment in any way. Then and in such event, this entire amount will be immediately due upon motion by the State that Defendants have violated this Judgment in any way. If the Attorney General has a reason to believe that a violation of this Judgment has occurred, the State may file a motion with this Honorable Court moving that Defendants pay all civil penalties as set forth in this Judgment.

### **GENERAL PROVISIONS**

22. The acceptance of this Judgment by the State shall not be deemed approval by the State of any of Defendants' advertising or business practices. Further, neither Defendants nor anyone acting on their behalf shall state or imply or cause to be stated or implied that the State of Tennessee, the Attorney General, the Department of Commerce and Insurance, the Division of Consumer Affairs, the Tennessee Housing Development Agency, or any other governmental unit

of the State of Tennessee has approved, sanctioned or authorized any act, practice, advertisement or conduct of Defendants.

23. This Judgment may only be enforced by the State of Tennessee, Defendants and this Court.

24. The titles and headers to each section of this Judgment are for convenience purposes only and are not intended by the parties to lend meaning to the actual provisions of the Judgment.

25. As used herein, the plural shall refer to the singular and the singular shall refer to the plural and the masculine and the feminine and the neuter shall refer to the other, as the context requires.

26. Nothing in this Judgment shall limit the Attorney General's right to obtain information, documents or testimony from Defendants pursuant to any state or federal law, regulation or rule.

27. Nothing in this Judgment shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State of Tennessee. In addition, this Judgment shall not bar the State, or any other governmental entity from enforcing laws, regulations or rules against the Defendants.

28. Nothing in this Judgment constitutes an agreement by the State of Tennessee concerning the characterization of the amounts paid hereunder for purposes of any proceeding under the Internal Revenue Code or any state tax laws.

29. Defendants waive and will not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the conduct described in the State's Complaint, which defenses may be based, in whole or in part, on the Double Jeopardy or

Excessive Fines Clauses of the Constitution or principles set forth in *Hudson v. United States*, 118 S. Ct. 488 (1997), and *Austin v. United States*, 509 U.S. 602 (1993), and agree that the amount that Defendants have agreed to pay under the terms of this Judgment is not punitive in effect or nature for purposes of such criminal prosecution or administrative action.

30. Defendants hereby expressly waive and relinquish any and all rights, remedies, appeals or other interests that he/she/it/they may possess to a jury trial or any derivative rights that flow from a trial by jury under the Tennessee Constitution or United States Constitution or any other law, regulation or rule.

31. No waiver, modification, or amendment of the terms of this Judgment shall be valid or binding unless made in writing, signed by the party to be charged, approved by this Honorable Court and then only to the extent set forth in such written waiver, modification or amendment.

32. Any failure by any party to this Judgment to insist upon the strict performance by any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the provisions of this Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Judgment and the imposition of any applicable penalties, including but not limited to contempt, civil penalties as set forth in Tenn. Code Ann. § 47-18-108(c), and/or the payment of attorneys' fees to the State.

33. If any clause, provision or section of this Judgment shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Judgment and this Judgment shall be construed and



enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

34. Defendants waive any and all challenges in law or equity to the entry of the Judgment by the courts. Further, Defendants have waived any right to appeal, petition for *certiorari*, move to reargue or rehear or to otherwise be heard in connection with any judicial proceedings under this Judgment.

35. Time shall be of the essence with respect to each provision of this Judgment that requires action to be taken by the Defendants within a stated time period or upon a specified date.

36. Other than the Consent Order regarding non-dischargeability of debt entered in Defendant Denise Patrick's Chapter 7 bankruptcy case, this Judgment sets forth the entire agreement between the parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Judgment which are not fully expressed herein or attached hereto.

37. Nothing in this Judgment shall be construed to waive any claims of Sovereign Immunity the State may have in any action or proceeding.

38. Defendants shall not participate, directly or indirectly, in any activity to form a separate entity or corporation for the purpose of engaging in acts prohibited in this Judgment or for any other purpose which would otherwise circumvent any part of this Judgment or the spirit or purposes of this Judgment.

39. To protect the interest of consumer privacy and to prevent further marketing to these consumers and possible identity theft, none of the consumer information provided to the State of Tennessee under the terms of the Agreed Temporary Injunction Order and in the

possession of Defendants shall be released to any person, other than law enforcement authorities or pursuant to state or federal law.

40. Defendants also agree that the consumer names, addresses, telephone numbers and other personally identifiable information obtained during the course of their business(es) or otherwise gathered during the course of this litigation shall not be used for any marketing, sold or distributed for any purposes or provided to any other person for any reason, including but not limited to for the purposes of marketing these consumers now or in the future.

41. Defendants have provided the State with certain documents, advertisements, and contracts. Defendants acknowledge and agree that providing these documents to the State in no way constitutes the State's pre-approval, review for compliance with state or federal law or with this Judgment, or a release of any issues relating to such documents.

42. Defendants agree that this Judgment does not entitle Defendants to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation or rule, and Defendants further waive any rights to attorneys' fees that may arise under such statute, regulation or rule.

43. Defendants further agree to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Judgment.

44. This document may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this Judgment may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof.

45. Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true in any subsequent litigation filed by the State to enforce its rights pursuant

to this Judgment, including but not limited to a non-dischargeability complaint in any additional bankruptcy proceeding.

### **REPRESENTATIONS AND WARRANTIES**

46. Defendants represent and warrant that the execution and delivery of this Judgment is its/her/their free and voluntary act, that this Judgment is the result of good faith negotiations, and that Defendants agree that the Judgment and terms hereof are fair and reasonable.

47. Defendants represent and warrant that signatories to this Judgment have authority to act for and bind the Defendants.

48. Defendants represent and warrant to the State and this Court that they ceased engaging in foreclosure-related rescue services in October 2008, did not resume activities after that time and will not resume that type of business, trade or commerce in whole or in part the State of Tennessee or with a Tennessee consumer.

49. Defendants represent and warrant that they advertised, offered, promoted and sold foreclosure-related rescue services under only the following business names or other names: Patrick & Patrick Loss Mitigation Services, LLC and Foreclosure Consultant Services.

50. Defendants represent and warrant that they only advertised, offered, promoted and sold foreclosure-related rescue services during the time period from 2003 to 2008.

51. Defendants represent and warrant that they advertised, offered, promoted and sold foreclosure-related rescue services from only the following physical locations: 8487 Freiden Trail, Memphis, Tennessee 38125.

52. Defendants represent and warrant that they advertised, offered, promoted and sold foreclosure-related rescue services from only the following Internet websites: [www.patrickandpatricklm.com](http://www.patrickandpatricklm.com).

53. Defendants represent and warrant that they sold foreclosure-related rescue services to approximately 384 consumers for a total amount of \$582,523.47.

54. Defendants represent and warrant that they have not created any new entities or separate entities to engage in foreclosure-related rescue services since the entry of the Agreed Temporary Injunction Order on January 13, 2009 and have not engaged in any subsequent acts or practices that violate that Agreed Temporary Injunction Order.

55. Defendants understand that the State expressly relies upon these representations and warranties and if said representations or warranties are false, inaccurate, deceptive, unfair, incomplete, or misleading in any way, the State has the right to move to vacate or set aside (in whole or in part) this Judgment and/or request that Defendants be held in contempt and/or seek statutory sanctions pursuant to the Tennessee Consumer Protection Act, the Tennessee Unauthorized Practice of Law statutes, the Tennessee Foreclosure-Related Rescue Services statutes, or other law, if the State so elects.

#### **COMPLIANCE WITH ALL LAWS**

56. Nothing in this Judgment shall be construed as relieving Defendants of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of this Judgment be deemed to be permission to engage in any acts or practices prohibited by such law, regulation, or rule.

#### **PENALTY FOR FAILURE TO COMPLY**

57. Defendants understand and acknowledge that, pursuant to the provisions of the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-108(c), any knowing violation of the terms of this Judgment shall be punishable by civil penalties of not more than Two Thousand

Dollars (\$2,000.00) for each violation, in addition to any other appropriate sanctions including but not limited to contempt sanctions and the imposition of attorneys' fees and civil penalties.

58. Defendants understand and acknowledge that, pursuant to the provisions of the Tennessee Unauthorized Practice of Law statutes, Tenn. Code Ann. § 23-3-103(c)(4), any knowing violation of the terms of this Judgment shall be punishable by civil penalties of not more than Twenty Thousand Dollars (\$20,000.00) for each violation, in addition to any other appropriate sanctions including but not limited to contempt sanctions and the imposition of attorneys' fees and civil penalties.

59. Defendants understand that upon execution and filing of this Judgment, any subsequent failure to comply with the terms hereof is *prima facie* evidence of a violation of the Tennessee Consumer Protection Act.

#### **MONITORING FOR COMPLIANCE**

60. Upon request, Defendants shall provide books, records or documents to the State at any time, and further, to informally, or formally under oath, provide testimony or other information to the State relating to compliance with this Judgment. Defendants shall make any requested information available within one (1) week of the request, at the Office of the Attorney General or at such other location within the State of Tennessee as is mutually agreeable in writing to Defendants and the Attorney General. This shall in no way limit the State's right to obtain documents, records, testimony or other information pursuant to any law, regulation, or rule.

61. Within thirty (30) days of the entry of this Judgment, Defendants shall submit a copy of this Judgment to each of their officers, directors, owners, employees and any third parties who act directly or indirectly on behalf of the Defendants as an agent or independent

contractor, or who are involved in conducting business in the State of Tennessee. Within forty-five (45) days of entry of this Judgment, Defendants shall provide the State with an affidavit verifying and certifying that all required persons have been supplied with a copy of this Judgment.

62. The State of Tennessee has the right to test shop Defendants for the purpose of confirming compliance with this Judgment and state law. The test shoppers are not required to disclose that they are representatives of the State of Tennessee when making contact with Defendants. Further, the State of Tennessee may record (audio and/or video) any or all aspects of its solicitations or visit(s) with Defendants without notice to Defendants. Defendants agree to void any sale that is commenced by a test shopper at the conclusion of the sale and refund any monies paid upon notification that the transaction was a test shop conducted by the State.

#### **PRIVATE RIGHT OF ACTION**

63. Nothing in this Judgment shall be construed to affect any private right of action that a consumer, person, entity, or by any local, state, federal or other governmental entity, may hold against Defendants.

#### **NOTIFICATION TO STATE**

64. For five (5) years following execution of this Judgment, Defendants shall notify the Attorney General, c/o Consumer Advocate and Protection Division, Post Office Box 20207, Nashville, Tennessee 37202-0207, in writing at least thirty (30) days prior to the effective date of any proposed changes in its corporate structure, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation or firm, the creation or dissolution or subsidiaries, or any other changes in Defendants' status that may impact in any way compliance with obligations arising out of this Judgment.

65. Any notices required to be sent to the State of Tennessee shall be sent by United States certified mail, return receipt requested, or by another nationally recognized courier service that provides for tracking services and identification of the person signing for the document. The documents shall be sent to the following addresses:

For the State Attorney General:

Deputy Attorney General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
Post Office Box 20207  
Nashville, Tennessee 37202-0207  
Telephone: (615) 741-1671  
Facsimile: (615) 532-2910

For Defendants:

LARRY A. WEISSMAN  
Counsel for Defendants  
Weissman, Sorrow & Mitchell  
5118 Park Avenue, Suite 600  
Memphis, TN 38117-5714  
Telephone: (901) 763-2134  
Facsimile: (901) 682-2697

#### **PAYMENT OF COURT COSTS**

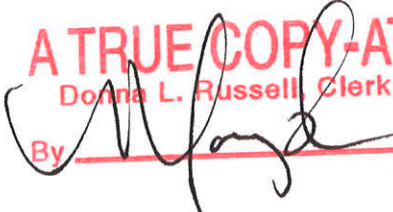
66. All court costs associated with this action and any other incidental costs or expenses incurred thereby shall be borne by Defendants. No costs shall be taxed to the State as provided by Tenn. Code Ann. § 47-18-116. Further, no discretionary costs shall be taxed to the State.

IT IS SO ORDERED, ADJUDGED AND DECREED.

  
CHANCELLOR ARNOLD B. GOLDIN

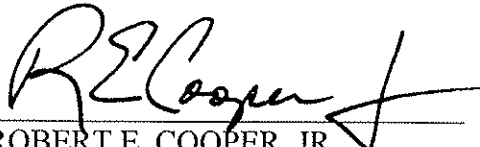
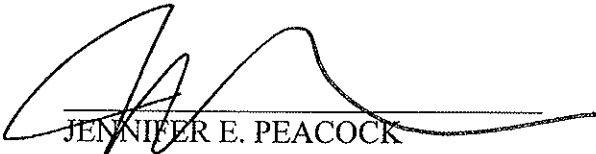
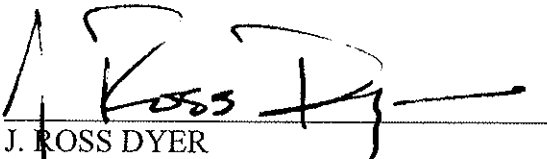
*Aug. 6, 2012*

23

**A TRUE COPY-ATTEST**  
Donna L. Russell, Clerk & Master  
By  **D.C. & M.**

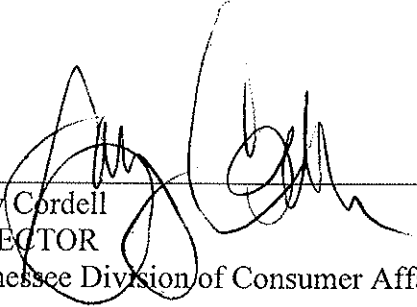
JOINTLY APPROVED AND  
SUBMITTED FOR ENTRY:

FOR THE STATE OF TENNESSEE

  
\_\_\_\_\_  
ROBERT E. COOPER, JR.  
Attorney General and Reporter  
B.P.R. No. 10934  
\_\_\_\_\_  
JENNIFER E. PEACOCK  
Senior Counsel  
B.P.R. No. 22227  
State of Tennessee  
Office of the Attorney General  
Consumer Advocate & Protection Division  
Post Office Box 20207  
Nashville, TN 37202-0207  
Telephone: (615) 741- 3108  
Facsimile: (615) 532-2910  
\_\_\_\_\_  
J. ROSS DYER  
Senior Counsel  
B.P.R. No. 19366  
Office of the Tennessee Attorney General  
1701 North Main Street  
Memphis, TN 38103  
Telephone: (901) 543-9039  
Facsimile: (901) 543-9025

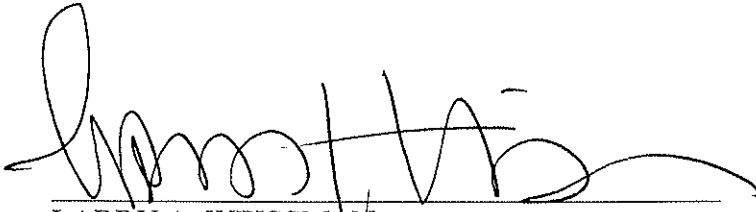


APPROVED BY:



Gary Cordell  
DIRECTOR  
Tennessee Division of Consumer Affairs

FOR DEFENDANTS:

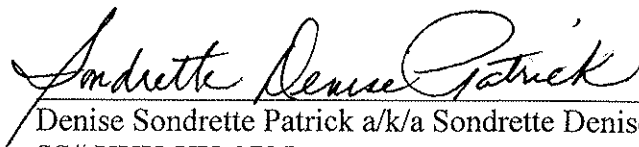
A handwritten signature in black ink, appearing to read 'Larry A. Weissman', written over a horizontal line.

LARRY A. WEISSMAN  
Counsel for Defendants  
B.P.R. No. 8527  
Weissman, Sorrow & Mitchell  
5118 Park Avenue, Suite 600  
Memphis, TN 38117-5714  
Telephone: (901) 763-2134  
Facsimile: (901) 682-2697

DEFENDANTS' SIGNATURES AND ACKNOWLEDGMENT

Defendants and their attorney(s) have read and understand this Judgment and each of its terms. Defendants admit to the jurisdiction of the Court in this matter and consent to the entry of this Judgment. Defendants agree to each and every term contained herein.

I, Denise Sondrette Patrick a/k/a Sondrette Denise Patrick, being first duly sworn on oath, depose and say that I am an officer of Patrick & Patrick, LLC also doing business as Patrick & Patrick Loss Mitigation Services and as an "Independent VRTECH Agent" of VR Tech Marketing Group, LLC, and am fully authorized and empowered to sign this Judgment on behalf of myself and Patrick & Patrick, LLC, and bind the same to the terms hereof.




Denise Sondrette Patrick a/k/a Sondrette Denise Patrick  
SS# XXX-XX-0735  
Patrick & Patrick, LLC  
FEIN # 27-0112625

SUBSCRIBED AND SWORN to before me this 11<sup>th</sup> day of July, 2012.

  
Notary Public

My Commission Expires: \_\_\_\_\_

 My Commission Expires November 7, 2012